

Human Resource Management in the banking sector in Sarajevo

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The aim of this paper is to highlight the importance and scientific pursuit "human side", and the necessity of implementing the strategy of motivation to employee performance. During the last hundred years the work has been transformed from assembly line production to more creative one, where machinery took over the all repetitious and routine tasks, giving people possibility devotion to that business process parts, which requested creativity, adaption and innovation. In that new economy the main management tasks have been completely changed. In assembly line production and „old economy“ the main management tasks were establishing of clearly defined system and as precise as possible control of that system. The main manager task in the new economy is developing potentials of every employee and choosing the right working team which will possess the optimal capability for work accomplishing.

The research alone has the task to understand the relationship between institutions and employee performance. What makes some employment relationships successful, and causes others to fail? What is the role of government and the law in enhancing the performance of existing and new employment relationships? These are key questions for personnel economics. Personnel Economics analyses how to model the relationship between such psychological factors, individual workplace performance, and general labor market outcomes.

Every bank and financial institution is involved in various functions in a day's job and thus requires a highly effective team and appropriate manpower to run the show. Corporate goals are translated into viable realities and profits only with human element who play their due role in achieving the desired results. An important reason for the need of designing work motivation is the need for understanding the mechanisms of behavior as a basis for the system to motivate. One of the key strategic task managers today becomes effective management of human resources in the context of the construction of a coherent system of motivation. **Keywords:** Discrete Time, the Vasicek Model, Interest Rate.

Keywords: Personnel Economics, Motivation, Employee Performance, Motivation Strategy, Employment Relationships.